



1313 North Market Street, Suite 1001 • Wilmington, DE 19801
Telephone 302.576.1600 • Facsimile 302.576.1100

www.ramlp.com

Garrett B. Moritz

Direct Dial 302.576.1604

gmoritz@ramlp.com

August 14, 2023

VIA E-FILING

PUBLIC VERSION - FILED AUGUST 16, 2023

Robert B. Pincus, Esq.,
Special Master for the United States District Court for the District of Delaware

**Re: *Crystallex International Corp. v. Bolivarian Republic of Venezuela*,
CA No. 1:17-mc-00151-LPS**

Dear Master Pincus:

We write on behalf of Phillips Petroleum Company Venezuela Limited, ConocoPhillips Petrozuata B.V., ConocoPhillips Hamaca B.V., and Conoco Phillips Gulf of Paria B.V. (together, “**ConocoPhillips**”) pursuant to the Sale Procedures Order in the above-captioned action, D.I. 481, and the Court’s July 17, 2023 Order, D.I. 643, to provide the Special Master and counsel with a statement of the amounts owed under ConocoPhillips’ three judgments. Unless otherwise defined, capitalized terms have the meanings set out in the Sale Procedures Order. D.I. 481.

The Sale Procedures Order requires any holder of an Attached Judgment or a judgment seeking to be an Attached Judgment to “deliver to the Special Master and to counsel for the Venezuela Parties a statement indicating the amount such creditor contends remains outstanding with respect to their Attached Judgment or judgments.” D.I. 481 at 26.

ConocoPhillips holds three judgments that it seeks to make Attached Judgments, the “**Petrozuata/Hamaca Judgment**,” the “**Corocoro Judgment**,” and the “**ICSID Judgment**” (each as defined as follows):

The Petrozuata/Hamaca Judgment:

The Petrozuata/Hamaca Judgment was entered in favor of Phillips Petroleum Company Venezuela Limited and ConocoPhillips Petrozuata B.V., and against PDVSA, PDVSA Petróleo S.A., and Corpoguanipa S.A., by the United States District Court for the Southern District of New York on August 23, 2018. The basis of the Petrozuata/Hamaca Judgment is a 2018 arbitration award issued by a tribunal of the International Chamber of Commerce (“ICC”), following the

Robert B. Pincus, Esq.,
August 14, 2023
Page 2

confiscation of the claimants' interests in two joint ventures for the extraction of extra-heavy crude oil in the Orinoco Oil Belt in Venezuela—the Petrozuata project and the Hamaca project. The principal amount of the Petrozuata/Hamaca Judgment is US \$1,933,514,765. The amount of the Petrozuata/Hamaca Judgment is composed of three measures: US \$1,498,399,209 in favor of Phillips Petroleum Company Venezuela Limited and against PDVSA and Corpoguanipa S.A.; US \$434,884,356 in favor of ConocoPhillips Petrozuata B.V. and against PDVSA and PDVSA Petróleo S.A.; and US \$231,200 in favor of Phillips Petroleum Company Venezuela Limited and ConocoPhillips Petrozuata B.V. and against all the respondents. PDVSA is jointly and severally liable for all amounts due.

Pursuant to the terms of the arbitration award and Petrozuata/Hamaca Judgment, pre-judgment interest accrued at different rates relative to different measures of the judgment. Pre-judgment interest accrued on US \$1,498,399,209 at 3-month LIBOR, running from April 26, 2018. Pre-judgment interest accrued on US \$434,884,356 at 12-month LIBOR, running from April 26, 2018. Pre-judgment interest accrued on US \$231,200 at 12-month LIBOR, running from April 26, 2018. *See* Exhibit 1. Post-judgment interest on the Petrozuata/Hamaca Judgment is calculated at the rate set by 28 U.S.C. § 1961.

As of August 14, 2023, ConocoPhillips had received [REDACTED] in partial satisfaction of the Petrozuata/Hamaca Judgment. The recoveries are detailed in Table 1 below. They include [REDACTED]

[REDACTED] ConocoPhillips' enforcement efforts are ongoing, and it reserves all rights in connection with seeking additional recoveries.

[REDACTED]

Robert B. Pincus, Esq.,
August 14, 2023
Page 3

[REDACTED]

As a result of those collections, the outstanding amount owed on the Petrozuata/Hamaca Judgment, inclusive of pre- and post-judgment interest, is US \$1,331,585,892, as of August 14, 2023. A worksheet showing the interest rate calculations on the Petrozuata/Hamaca Judgment has been separately provided to the Special Master and his counsel.

The Corocoro Judgment:

The Corocoro Judgment was entered in favor of ConocoPhillips Gulf of Paria B.V., and against PDVSA and Corporación Venezolana del Petróleo S.A., by the United States District Court for the Southern District of New York, on December 3, 2020. The basis of the Corocoro Judgment is a 2018 arbitration award issued by an ICC tribunal following the confiscation of the claimants' interests in the Corocoro project. The principal amount of the Corocoro Judgment is US \$48,008,707. The SDNY Corocoro Judgment is attached hereto as Exhibit 2.

ConocoPhillips has not collected any portion of the amounts owed under the Corocoro Judgment. As a result, the amount owing under the Corocoro Judgment, including post-judgment interest is US \$48,147,872, as of August 14, 2023. Post-judgment interest on the Corocoro Judgment has been calculated at the rate set by 28 U.S.C. § 1961. A worksheet showing the interest rate calculations on the Corocoro Judgment has been separately provided to the Special Master and his counsel.

The ICSID Judgment

The ICSID Judgment was entered in favor of ConocoPhillips Petrozuata B.V., ConocoPhillips Hamaca B.V., and ConocoPhillips Gulf of Paria B.V., and against the Bolivarian Republic of Venezuela ("Venezuela") by the United States District Court for the District of Columbia on August 19, 2022. The basis of the ICSID Judgment is a March 2019 arbitration award rendered by an International Centre for Settlement of Investment Disputes ("ICSID") tribunal against Venezuela as a result of Venezuela's expropriation of the claimants' interests in crude production projects.

The principal amount of the ICSID Judgment is US \$8,505,945,292. *See* Exhibit 3. The ICSID Judgment awarded pre-judgment interest at different rates for different portions of the Judgment: interest accrued on US \$8,366,137,393 at 5.5% compounded annually running from May 7, 2019, and interest accrued on US \$139,807,899 at 12-month LIBOR running from May 7, 2019. ConocoPhillips was additionally awarded legal fees and reimbursement of arbitration costs, interest on which accrued at simple 3% annually. *See* Exhibit 3.

Post-judgment interest on the ICSID Judgment is calculated at the rate set by 28 U.S.C. § 1961. ConocoPhillips has not collected any portion of the amounts owed under the ICSID Judgment. As a result, the amount owing under the ICSID Judgment, including post-judgment interest is US \$10,473,194,297, as of August 14, 2023. A worksheet showing the interest rate calculations on the ICSID Judgment has been separately provided to the Special Master and his counsel.

Robert B. Pincus, Esq.,
August 14, 2023
Page 4

Please note that a portion of the measure of damages for the award underlying the ICSID Judgment may overlap with a portion of the measure of damages for the award underlying the Petrozuata/Hamaca Judgment. ConocoPhillips has confirmed to the arbitration tribunals and the D.C. District Court, and to PDVSA, that in the event ConocoPhillips obtains payment of all amounts due on the ICSID Judgment, it will not seek any recovery under the Petrozuata/Hamaca Judgment for damages that were paid under the ICSID Judgment. *See* Exhibit 4 ¶ 14; Exhibit 5 ¶¶ 961–65, 1010; Exhibit 6 ¶ 69.

ConocoPhillips requests that this letter and any related communications regarding the amounts outstanding on its judgments be designated as Highly Confidential pursuant to the Court's July 6, 2021 Special Master Confidentiality Order. ConocoPhillips submits this information subject to, and without waiving, any objections, and further reserves all rights in connection with the Petrozuata/Hamaca, Corocoro and ICSID Judgments, and proceedings related to those judgments, and in connection with the Settlement Agreement, [REDACTED]

As always, we appreciate the Court's consideration of this matter.

Respectfully submitted,

/s/ Garrett B. Moritz

Garrett B. Moritz (Bar No. 5646)

Enclosures

Cc: All Counsel of Record (via e-mail – see attached Certificate of Service)

Certification

The undersigned hereby certifies to the Special Master that:

1. the information contained in the Attached Judgment Statement is a true and accurate recitation of the initial and outstanding amounts of the judgments held by ConocoPhillips ; and
2. in the event the initial and outstanding amounts of the judgments described in the Attached Judgment Statement change, for any reason, I shall promptly, and in any event not less than three (3) business days following such change, notify the Special Master of the revised judgment amount.

By: /s/ Marcus J. Green

Marcus J. Green
KOBRE & KIM LLP
800 Third Avenue
New York, NY 10022
(212) 488-1200

Counsel to ConocoPhillips